APPENDIX C—*contd.*

ORDER No. R. 3342-53—L. R. 302-25-2, DATED 6TH JANUARY 1926.

The question of improving the administration of the Irrigation Cess Fund with a view to realise the full advantages from the constitution of the fund has been engaging the attention of Government for some time. According to the late Chief Commissioner's Notification No. 341, dated 11th February 1875, the Irrigation Cess Fund was to be administered by the district committees as a branch of the Local Fund and expended on purely irrigation purposes. Subsequently, the administration of the fund was transferred to the Public Works Department in Government Proceedings No. 392-405—D. F. 49, dated 3rd May 1879. The practice was that the Comptroller would furnish the Chief Engineer with an annual statement of the probable assets and expenditure under the irrigation cess and the latter made the necessary provision of funds in the departmental budget without any scrutiny. The financial administration of the fund was under no responsible officer or department of Government. The first attempt to place the receipts and expenditure of these funds under some control was effected in the Government Order of 1908 referred to above, which laid down that the works to be undertaken were to be selected by the Taluk and District Boards, and the Revenue Commissioner had to prepare a consolidated budget with reference to the funds available, in consultation with the Chief Engineer, while the actual execution of works was entrusted to the Public Works Department. In the year 1914, detailed rules were sanctioned by Government for regulating the expenditure under the Irrigation Cess Fund on the recommendations of a special committee constituted for the purpose.

2. The chief principles that have been laid down for the preparation of the Budget of the Irrigation Cess Fund in the orders referred to above and reiterated in the Government Order of 27th February 1925 are:—

(i) The district will be the unit for the administration of the fund.

(ii) Ninety-five per cent of the receipts in the districts of Mysore and Chitaldrug and 75 per cent of the receipts in other districts will be appropriated by the District Boards for expenditure in the districts concerned, while the balance, *viz.*, 25 per cent of the district receipts in the districts other than Mysore and Chitaldrug and 5 per cent in the latter will

be set apart as contribution to the General Irrigation Cess Fund, to allow of supplementary grants being made to district allotments.

(iii) The expenditure for charges for establishment, tools and plant will be borne by the State Funds, the required contribution of 18 per cent being shown on both receipt and expenditure sides for purposes of accounts.

(iv) Sixty per cent of the expenditure for maintenance of river channels in the Mysore, Hassan and Chitaldrug Districts will be met from State Funds, the contribution being shown on the receipt side of the budget.

(v) A triennial programme of urgent and important works in each taluk should be made by the Amildar in consultation with the Taluk Board and submitted to the Deputy Commissioner of the district who will approve of it in consultation with the Executive Engineer and the District Board.

(vi) The Revenue Commissioner will examine the district budgets and will, in consultation with the Chief Engineer, submit a consolidated budget for the whole State for sanction of Government.

3. Experience has shown that there are several defects not only in the preparation of the budgets but also in the actual administration of the fund which require to be remedied. It has come to the notice of Government that, in almost all the districts, the budgets are prepared by the District Boards instead of by the Amildar and Deputy Commissioner in consultation with the Taluk and District Boards. The Revenue Commissioner simply compiles the figures of estimated receipts and expenditure received from the districts without any scrutiny whatever, and after the budget is passed, he exercises no check over the progress of the expenditure. The Irrigation Cess Budget estimates are submitted to Government long after the commencement of the year, and half the year will be over when it is sanctioned, by which time the Chief Engineer will have carried out works according to his own programme, with the result that there will be no real relation between the budget and the actual expenditure. Very often, the expenditure for some districts exceeds the percentage limits of receipts prescribed for those districts. The total expenditure often exceeds the total annual receipts of the fund. There is no correlation between the annual budgets and the triennial programme. The amounts taken credit for on account of charges on establishment and tools and plant, which is a subvention

from State Funds, as well as the contribution from State Funds for maintenance of channels in Hassan, Mysore and Chitaldrug Districts, have not always agreed with the amounts provided for in the general budget estimates for the State. This is due to the fact that the budget of the Irrigation Cess Fund is not prepared simultaneously with the budget of the Public Works Department. The district of Mysore is, for years, having a minus balance. There is besides the absence of a single controlling authority held responsible for the administration of the fund, and of a clear definition of the position of the Chief Engineer in respect of this fund.

4. With a view to remedy the defects that have come to the notice of Government, they are pleased to issue the following Orders :—

(i) The procedure prescribed for the preparation and submission of the district budgets in the Government Order of 24th September 1908, and 12th September 1914, as explained in the Government Order of 27th February 1925, should be strictly followed.

(ii) The consolidated Irrigation Cess Fund budget should be submitted to Government by the Revenue Commissioner before the 31st March preceding the year for which it relates, so that Government may be able to know what exactly is the sum that is required to be provided in the State Public Works Budget as grant-in-aid to Irrigation Cess Fund Works.

(iii) The Revenue Commissioner will be the chief controlling officer responsible for the proper administration of the funds. It shall be the duty of the Revenue Commissioner to watch the progress of expenditure from month to month, and if he finds that, owing to any unforeseen causes, the expenditure is likely to exceed the provision in the Irrigation Cess Fund Budget, he should, in consultation with the Chief Engineer, take prompt steps to regularise it by obtaining Government sanction for an additional grant to the cess budget as well as to the State Budget under Irrigation Works charged to Revenue.

(iv) The Chief Engineer will be responsible for the execution of works and for working out the allotment according to the programme fixed. He should send a quarterly progress statement to the Revenue Commissioner for information.

(v) The budget estimates that are submitted to Government should hereafter be accompanied by the detailed programme of works proposed to be carried out during the year with the estimated cost.

(vi) The triennial programme of works prescribed in the Government Order of 12th September 1914, should be invariably prepared by the Amildars, and scrutinised by the Deputy Commissioner in consultation with the Executive Engineer of the district, and should form the basis for the preparation of the annual budget, every triennial programme being prepared a year in advance of the triennium.

(vii) The expenditure for each district should never be allowed to exceed the limit prescribed for the districts.

(viii) The expenditure proposed in the consolidated budget estimates should not exceed the year's revenue except as provided for in paragraph 5 *supra*.

(ix) The Krishnarajasagara should be treated as a separate unit. The cess collected on the lands commanded by the channels under it should be credited to Krishnarajasagara Works and not to the Mysore District, and the excess of expenditure, if any, over the receipts of this unit will be met from the General Irrigation Cess Fund.

(x) The Revenue Commissioner should submit for the information of Government half-yearly statements regarding the progress of the works and expenditure relating to the Irrigation Cess Budget.

(xi) He should also submit a brief report annually on the administration of the Irrigation Cess Fund.

5. It is observed that there is an accumulated balance of about Rs. 9 lakhs at the credit of the Irrigation Cess Fund at present. Government consider that there is no object in allowing the fund to accumulate. They are of opinion that, after providing a reasonable reserve to meet emergencies, the rest should be utilised for the execution of works in arrears, and for carrying out improvements which will be to the benefit of the people as well as of the public revenue. The Revenue Commissioner is requested to submit suitable proposals, in consultation with the Chief Engineer, in the matter of the utilisation of the accumulated balance.

B. SRINIVASA IYENGAR,
Secretary to Government,
Revenue Department.

To—The Revenue Commissioner in Mysore.
The Chief Engineer of Mysore.
The Superintendent, Revenue Survey and Settlement.
The Comptroller to Government.
The Deputy Commissioners of districts.